

1 **BEFORE THE TENNESSEE REGULATORY AUTHORITY**
2 **NASHVILLE, TENNESSEE**

3 IN RE: PETITION OF ATMOS ENERGY)
4 CORPORATION FOR APPROVAL OF)
5 FRANCHISE AGREEMENT WITH)
6 GREENEVILLE, TENNESSEE)
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8)
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DOCKET NO. 04-00074

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12 **DIRECT TESTIMONY OF TONY HUGHES**
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15 **Q: Please state your name, place of employment and title.**

16 A: My name is Tony Hughes. I am employed by Atmos Energy Corporation, Mid-States
17 Division ("Atmos") as Operations Supervisor for the area served by Atmos that includes
18 Greeneville, Tennessee.

19 **Q: In your capacity as the Operations Supervisor of Atmos, are you familiar with the**
20 **natural gas distribution systems operated by Atmos in Greeneville, Tennessee?**

21 A: Yes. I am very familiar with the Atmos natural gas distribution system in Greeneville,
22 Tennessee. I was also the authorized person on behalf of Atmos to negotiate the
23 franchise agreement with Greeneville, Tennessee, that is included in this Petition in this
24 docket.

25 **Q: Please give the Authority an overall description of Atmos' natural gas distribution**
26 **system that is located in Greeneville, Tennessee and the customers served by Atmos**
27 **in Greeneville.**

28 A: With respect to system serving customers in and around the City of Greeneville, there are
29 approximately 90 miles of pipe which serves both residents inside and outside of the city.
30 Of the total amount of pipe, approximately 95% is located within the city limits. The
31 pipe is interconnected and dependent upon the distribution system located both within
32 and outside the city limits. There are approximately 2000 customers located within the
33 city limits. Of that amount, approximately 90% are residential customers and 10% are
34 commercial and industrial customers. The majority of the pipeline in the Atmos
35 distribution system in the area is located within the public rights of way of the City of
36 Greeneville. Without access to these public rights of way through the franchise
37 agreement, Atmos could not adequately maintain, replace and/or operate its distribution
38 system.

39 **Q: Has Atmos operated natural gas distribution systems in Greeneville for a number of**
40 **years?**

41 **A:** Yes, Atmos has operated in Greeneville and the surrounding area for a number of years.

42 **Q: Please describe the negotiation process that you went through with the City of**
43 **Greeneville.**

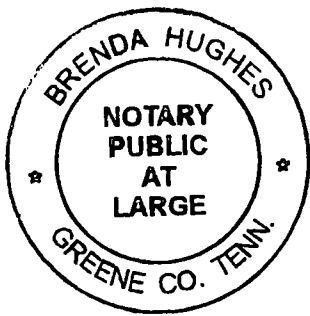
44 **A:** We began our negotiations with Greeneville Mayor Darrell Bryan, in the fall of 2003. I
45 discussed the terms of the franchise with Mr. Bryan on several occasions. Once we
46 reached agreement on the terms of the franchise, the Board of Mayor and Alderman of the
47 City of Greeneville approved the agreement and enacted it through Ordinance No. 1532.

48 **Q: In summary, was the franchise agreement the product of an arms-length negotiation**
49 **process between the City of Columbia and Atmos?**

50 **A:** Yes, as is apparent from my testimony, the franchise agreement represents the result of
51 cooperative negotiations that included substantive input from both Atmos and the City of
52 Greeneville.

53 **Q: What is your opinion in regard to the necessity of the approval of the franchise**
54 **between Atmos and the City of Greeneville?**

55 **A:** The franchise agreement with Greeneville is necessary and proper for the public
56 convenience and properly conserves and protects the public interest of the citizens of the
57 City of Greeneville served by Atmos.



Tony Hughes

Tony Hughes

Title: *OPERATIONS SUPERVISOR*

Sworn to and subscribed before me
this 22nd day of June, 2005.

Brenda Hughes
Notary Public

My Commission Expires: Nov 28, 2005

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed, postage prepaid, to the following parties of interest this 23 day of June, 2005.

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KD Collier